

## **BILL ANALYSIS**

C.S.H.B. 1603  
By: Price  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties contend that the Palo Duro River Authority of Texas, due to environmental factors and financial concerns, needs additional powers. C.S.H.B. 1603 seeks to address this issue by providing the authority with additional powers.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1603 amends Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, to authorize the Palo Duro River Authority of Texas to develop and generate electric energy by means of renewable energy resources inside authority boundaries and to distribute and sell electric energy to an entity that operates in the Electric Reliability Council of Texas power region, an entity that operates in the Southwest Power Pool power region, or an electric cooperative that operates in Texas. The bill expressly does not require such entities to build a new transmission line for that purpose and establishes that grid interconnection made for that purpose does not subject such an entity to the jurisdiction of the Federal Energy Regulatory Commission and does not affect the commission's jurisdiction over an entity over which the commission already has jurisdiction. The bill authorizes the authority to lease the hunting rights on property owned by the authority and to develop, manage, or lease property owned by the authority for any recreational purpose.

C.S.H.B. 1603 replaces the conditional authorization for the authority to sell, trade, or otherwise dispose of any real or personal property deemed by the Texas Commission on Environmental Quality not to be needed for authority purposes with a conditional authorization for the authority to sell, trade, or otherwise dispose of any real or personal property deemed by the authority not to be needed for authority purposes.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1603 may differ from the original in minor or nonsubstantive ways, the

following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

## INTRODUCED

SECTION 1. Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, is amended by adding Sections 3A and 3B and amending Section 5 to read as follows:

Sec. 3A. The Authority may:

- (1) develop and generate electric energy by means of renewable energy resources inside the boundaries of the Authority; and
- (2) distribute and sell electric energy to:
  - (A) an entity in the Electric Reliability Council of Texas power region; or
  - (B) an entity in the Southwest Power Pool power region.

Sec. 3B. The Authority may lease:

- (1) the hunting rights on property owned by the Authority; and
- (2) property owned by the Authority for any recreational purpose.

Sec. 5. (a) The Authority may not construct a [No] dam or other facility [facilities] for impounding water [shall be constructed] until the plans therefor are approved by the Texas [Water Rights] Commission on Environmental Quality.

[The Authority is not authorized to develop or otherwise acquire underground sources of water.]

(b) The Authority may sell, trade, or otherwise dispose of any real or personal property deemed by the Authority [this Commission] not to be needed for Authority purposes, subject to the terms of any deed of trust or other indenture [issued by the Commission].

## HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973, is amended by adding Sections 3A, 3B, and 3C and amending Section 5 to read as follows:

Sec. 3A. The Authority may:

- (1) develop and generate electric energy by means of renewable energy resources inside the boundaries of the Authority; and
- (2) distribute and sell electric energy to:
  - (A) an entity that operates in the Electric Reliability Council of Texas power region;
  - (B) an entity that operates in the Southwest Power Pool power region; or
  - (C) an electric cooperative, as defined by Section 161.002, Utilities Code, that operates in this state.

Sec. 3B. Section 3A does not require an entity described by that section to build a new transmission line. Grid interconnection made for the purposes of Section 3A does not subject an entity described by that section to the jurisdiction of the Federal Energy Regulatory Commission and does not affect the jurisdiction of the Federal Energy Regulatory Commission over an entity over which the commission already has jurisdiction.

Sec. 3C. The Authority may:

- (1) lease the hunting rights on property owned by the Authority; and
- (2) develop, manage, or lease property owned by the Authority for any recreational purpose.

Sec. 5. (a) The Authority may not construct a [No] dam or other facility [facilities] for impounding water [shall be constructed] until the plans therefor are approved by the Texas Commission on Environmental Quality [Texas Water Rights Commission]. The Authority is not authorized to develop or otherwise acquire underground sources of water.

(b) The Authority may sell, trade, or otherwise dispose of any real or personal property deemed by the Authority [this Commission] not to be needed for Authority purposes, subject to the terms of any deed of trust or other indenture [issued by the Commission].

(c) The Authority may develop and manage groundwater on property owned by the Authority and may lease the rights to groundwater from owners of property located inside the Authority. The Authority may sell groundwater developed or acquired under this section to an entity located in Region A as established by the Texas Water Development Board for the purposes of regional water planning under Section 16.053, Water Code.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

SECTION 2. Same as introduced version.